



California Fair Political Practices Commission

October 24, 1989

Jerry D. Wood
Crabtree, Karlen & Arzoo
6355 Riverside Avenue
Riverside, CA 92506-3145

Re: Your Request for Advice
Our File No. A-89-554

Dear Mr. Wood:

We have received your letter of September 22, 1989, seeking written confirmation of the advice I provided to you in our telephone conversations of September 18 and 20, 1989, regarding the effect of recent court decisions on interpretation of Proposition 73, which amended the Political Reform Act. (Government Code Section 81000-91015.) This is to confirm that your letter accurately reflects that advice.

A copy of your letter is enclosed for your convenience.

If you have further questions, please contact me at (916) 322-5662.

Sincerely,

Kathryn E. Donovan
General Counsel

A handwritten signature in dark ink, appearing to read "Kevin S. Braaten-Moen", is written over a horizontal line.

By: Kevin S. Braaten-Moen
Political Reform Consultant

Enclosure

CRABTREE, KARLEN & ARZOO

Certified Public Accountants

POST OFFICE BOX 2945 - 94516 - 3145

6355 RIVERSIDE AVENUE - 92506 - 3145

RIVERSIDE, CALIFORNIA

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FFPC

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AREA CODE 714

TELEPHONE 683-6730

FACSIMILE

(714) 369-8071

September 22, 1989

Kevin Braaten-Moen
Fair Political Practices Commission
428 J Street
Sacramento, CA 92814

Dear Kevin:

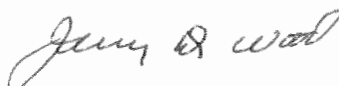
I spoke with you via telephone on September 18 and 20, 1989, concerning campaign reporting based on U.S. District Judge Lawrence Karlton's recent decision on Proposition 73. The following is our understanding of current requirements:

1. Restricted funds (funds received prior to 1-1-89) can be combined with non-restricted funds by transferring the restricted funds into the non-restricted funds account. There is no time limit on this transfer, however, the restricted funds must be transferred to an unrestricted account prior to being used for campaign purposes.
2. We were in the process of filing amended campaign reports that were filed on form 490 and should have been on 490A. It is our understanding this has not changed.
3. Bonds or CD's purchased from restricted accounts do not have to immediately be cashed in and the funds transferred to an unrestricted account, but at which time the bonds are cashed or CD's mature, the funds must be deposited into an unrestricted account before further disposition.
4. On the next campaign filing report the balance of any funds remaining in restricted accounts should be shown as transferred on the reports even though there may still be funds in those accounts. Specifically, if a CD purchased with restricted funds has not matured by the next campaign report, the restricted funds report should still show a transfer to an unrestricted account to zero out the restricted campaign fund report.

If any of the preceeding are not correct due to a misunderstanding (i.e. #4), please contact our office at (714) 683-6730. Your assistance has been and is most appreciated.

Sincerely,

CRABTREE, KARLEN & ARZOO



Jerry D. Wood, CPA

JDW/vs

cc: Tom Mullin
Friends of Senator Robert Presley



California Fair Political Practices Commission

September 27, 1989

Jerry D. Wood, CPA
Crabtree, Karlen & Arzoo
P.O. Box 2945
Riverside, DA 94516-3145

Re: Letter No. 89-554

Dear Mr. Wood:

We received your letter requesting confirmation of advice under the Political Reform Act on September 25, 1989. Your letter has been assigned to our Technical Assistance and Analysis Division for response. If you have any questions, you may contact that division directly at (916) 322-5662.

If the letter is appropriate for confirmation without further analysis, we will attempt to expedite our response. A confirming response will be released after it has gone through our approval process. If the letter is not appropriate for this treatment, the staff person assigned to prepare the response will contact you shortly to advise you. In such cases, the normal analysis, review and approval process will be followed.

You should be aware that your letter and our response are public records which may be disclosed to any interested person upon receipt of a proper request for disclosure.

Sincerely,

A handwritten signature in cursive script that reads "Kathryn E. Donovan".

Kathryn E. Donovan
General Counsel

KED:plh:confadv1